

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT. OLIVET)	CASE NO. 9918-G4
NATURAL GAS COMPANY, INC.)	

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On September 1, 1993, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") filed its quarterly gas cost adjustment ("GCA"), which is to become effective October 1, 1993 and is to remain in effect until December 31, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mt. Olivet's notice of September 1, 1993 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers in the amount of 45.32 cents per Mcf. Mt. Olivet's expected gas cost ("EGC") for the quarter beginning October 1, 1993 is \$3.7704 per Mcf.

2. Mt. Olivet's notice contained a refund adjustment of 2.96 cents per Mcf to return to its customers supplier refunds in the amount of \$1,274, including interest.

3. Mt. Olivet's notice set out a current quarter actual adjustment in the amount of (26.94) cents per Mcf to compensate for previous over-recovery of gas cost through the operation of its gas cost recovery procedure during the months of January, February, and March 1993. The total actual adjustment of (78.78) cents per Mcf is designed to correct the current over-collection as well as under- or over-collections from the previous quarters.

4. The combined effect of the above adjustments is Mt. Olivet's gas cost recovery rate ("GCR") in the amount of \$2.9530 per Mcf, which is a decrease of 34.40 cents per Mcf from its last approved rates. Mt. Olivet's proposed GCR of \$3.0122 was incorrectly calculated. The refund adjustment was treated as an addition to instead of a reduction in rates. Therefore, Mt. Olivet's proposed rates should be denied.

5. Mt. Olivet's adjustment in rates set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after October 1, 1993.

IT IS THEREFORE ORDERED that:

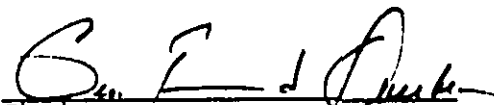
1. The rates proposed by Mt. Olivet be and they hereby are denied.

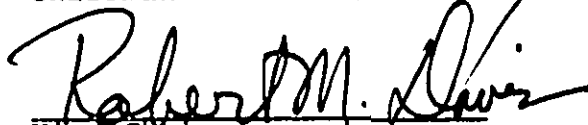
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after October 1, 1993.

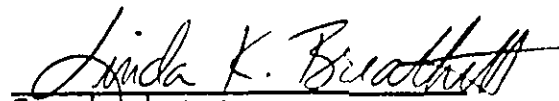
3. Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9918-G4 DATED SEPTEMBER 27, 1993.

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less	\$2.98	\$2.9530	\$5.9330
Next 4,000 cu. ft. per 1,000 cu. ft.	1.2613	2.9530	4.2143
Next 5,000 cu. ft. per 1,000 cu. ft.	1.0613	2.9530	4.0143
Next 10,000 cu. ft. per 1,000 cu. ft.	0.9113	2.9530	3.8643
Over 20,000 cu. ft. per 1,000 cu. ft.	0.7113	2.9530	3.6643